

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE COMMISSION,)
ON ITS OWN MOTION, TO MAKE)
ADJUSTMENTS TO THE UNIVERSAL)
SERVICE FUND MECHANISM)
ESTABLISHED IN NUSF-26.)

APPLICATION No. NUSF-50

**COMMENTS OF
NEBRASKA TECHNOLOGY & TELECOMMUNICATIONS, INC.
IN RESPONSE TO PROGRESSION ORDER NO. 1**

I. INTRODUCTION

On January 18, 2006, the Nebraska Public Service Commission ("Commission") entered Progression Order No. 1 in the above-captioned matter. Although many queries were raised by the Commission for comment, generally the Commission desires comment on how the permanent universal service fund mechanism established in NUSF-26 should be modified in light of the Commission's decision to reduce the NUSF surcharge from 6.95 percent to 5.75 percent.

Nebraska Technology & Telecommunications, Inc. ("NT&T") hereby comments generally on some of the issues raised by Progression Order No. 1.

II. COMMENTS

The application in NUSF-26 was appropriately captioned "In the Matter of the Nebraska Public Service Commission, on its Own Motion, Seeking to Establish a **Long-Term** Universal Service Funding Mechanism." (emphasis added). After over three (3) years of detailed investigation and analysis, on November 3, 2004, the Commission issued its Findings and Conclusions in NUSF-26, adopting a permanent funding mechanism and a transitional mechanism to accompany it. Now,

just over one (1) year after the adoption of the NUSF-26 Findings and Conclusions, the Commission is inviting comment on how best to make additional changes to the permanent (and possibly the transitional) funding mechanism to remedy the anticipated reduction in NUSF funds.

NT&T understands that the Commission must react to a changing regulatory and technological environment. Nevertheless, it is important to bear in mind that Nebraska law requires that the NUSF mechanisms adopted by the Commission be “predictable.” NEB.REV.STAT. §86-323(5). This guiding principle was acknowledged by the Commission in its caption for NUSF-26—an application to establish a “long-term” NUSF mechanism. However, each time the Commission revisits and re-revisits issues that were previously decided after exhaustive analysis, the predictability of the NUSF’s mechanisms suffers. Companies such as NT&T develop and implement business plans based in part on the policies adopted by the Commission. A lack of predictability with respect to the funding and operation of the NUSF damages the ability of companies like NT&T to compete and offer Nebraska customers the services they desire. That is hardly the intended result of the NUSF.

Accordingly, NT&T strongly urges the Commission to not alter the transitional support mechanism for purposes of addressing the anticipated shortfall in NUSF funds. Moreover, NT&T encourages the Commission to strive towards achieving the goal of predictability mandated by the Nebraska Legislature. Finally, NT&T respectfully recommends that the timing of any modifications adopted by the Commission be such that companies like NT&T have a sufficient amount of time to alter their business plans to account for the Commission’s alterations.

DATED: April 14, 2006

NEBRASKA TECHNOLOGY &
TELECOMMUNICATIONS, INC.

By: 

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CERTIFICATE OF SERVICE

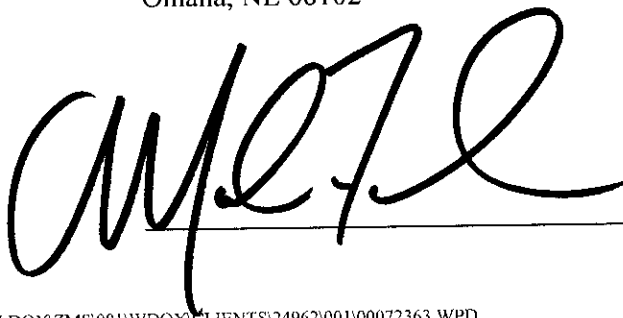
The undersigned hereby certifies that a true and correct copy of the foregoing Comments of Nebraska Technology & Telecommunications, Inc. was sent regular U.S. Mail, on this 14th day of April, 2006, addressed as shown below, to the following:

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